

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Inventor(s): FOWLER, Malcolm R., *et al.*  
Serial No.: 09/935,884  
Filed: 22 August 2001  
Examiner: DURAN, Arthur D.  
Group Art Unit: 3622  
Confirmation No.: 2053  
Title: MARKETING SYSTEMS AND METHODS

### **VIA ELECTRONIC FILING**

#### **Mail Stop Appeal Brief - Patents**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
U.S.A.

### **APPELLANT'S BRIEF**

This is an Appeal under 35 U.S.C. § 134(a), 37 C.F.R. § 1.191 and 37 C.F.R. Part 41 from the decision of the Examiner set forth in the Official Action dated 20 July 2007 (the "Office Action"). In the Office Action, Claims 1, 2, 4 - 13, 15, 17 - 25, 27 - 30, 32 - 34, 36 - 43, 46 - 50, 52 - 58, and 68 - 85 were at least twice rejected.

A Notice of Appeal was filed herein 18 October 2007. With this Brief is filed a Petition for a two-month extension of time in which to file this brief. Authorization to charge the appropriate fees is included in the accompanying transmittal letter. Pursuant to MPEP 1205.02, a single copy of the brief is filed.

## TABLE OF CONTENTS

	<u>Page</u>
1. Real Party in Interest .....	3
2. Related Appeals and Interferences.....	4
3. Status of Claims.....	5
4. Status of Amendments .....	6
5. Summary of Claimed Subject Matter .....	7
6. Grounds of Rejection to be Reviewed on Appeal .....	9
7. Argument.....	10
a. <u>35 U.S.C. 102(e)</u> .....	10
b. <u>35 U.S.C. 103: Claims 1, 42, 75, and Dependents</u> .....	10
(1) The Scope and Content of the Prior Art.....	11
(2) Differences Between the Prior Art and the Claims at Issue .....	18
(3) The Level of Ordinary Skill in the Art .....	19
(4) The Non-Obviousness of the Claims .....	20
(5) Claims 42 and 75 .....	21
c. <u>35 U.S.C. 103: Claims 68, 79, and Dependents</u> .....	22
(1) The Scope and Content of the Prior Art.....	23
(2) Differences Between the Prior Art and the Claims at Issue .....	24
(3) The Level of Ordinary Skill in the Art .....	25
(4) The Non-Obviousness of the Claims .....	25
d. <u>Dependent Claims; Rejections in Further View of         Eggleston and Bednarek</u> .....	26
e. <u>Piecemeal Examination</u> .....	27
8. Claims Appendix.....	29
9. Evidence Appendix .....	43
10. Related Proceedings Appendix .....	44
Conclusion .....	45

**1. Real Party in Interest**

The real party in interest is Moneris Solutions Corporation (the “Applicant”).

**2. Related Appeals and Interferences**

Applicant is not aware of any Appeals or Interferences related to this Appeal.

### **3. Status of Claims**

Claims 1, 2, 4 - 13, 15, 17 - 25, 27 - 30, 32 - 34, 36 - 43, 46 - 50, 52 - 58, and 68 - 85 are pending in the application, and are rejected for at least a second time under 35 U.S.C. § 103. Claims 3, 14, 16, 26, 31, 35, 44, 45, 51, and 59 - 67 have previously been cancelled. Of the pending claims, Claims 1, 42, 68, 75, and 79 are independent.

The Application was originally filed with Claims 1 - 67.

In the Amendment and Reply filed 24 March 2006, Applicant amended independent Claims 1 and 42, amended dependent Claims 2 - 13, 15, 17 - 30, 32 - 34, and 36 - 58; canceled Claims 14, 16, 31, 35, and 59 - 67; and added Claims 68 - 77.

In the Amendment and Reply filed 5 February 2007, Applicant amended independent Claims 1, 42, 68, and 75, amended dependent Claims 3 - 5, 7, 9, 11, 13, 15, 17 - 22, 27, 30, 32, 33, 39, 40, 43 - 46, 51, 53, 55 - 58, 69 - 70, 72 73, and 76; canceled Claim 26; and added Claims 78 - 85.

In the Amendment and Reply filed 5 July 2007, Applicant amended independent Claims 1, 42, 68, 75, and 79, amended dependent Claims 4 - 7, 9, 12, 18, 19, 28, 33, 34, 38, 49, 50, 68, 78, and 81; and canceled Claims 3, 44, 45, and 51.

Claims 1, 2, 4 - 13, 15, 17 - 25, 27 - 30, 32 - 34, 36 - 43, 46 - 50, 52 - 58, and 68 - 85 stand at least twice rejected under 35 U.S.C. § 103(a). Applicant appeals all of the rejections of each of the claims.

#### **4. Status of Amendments**

No amendment has been filed subsequent to final rejection. All amendments filed by Applicant have been entered by the Examiner in the form set out in the Amendment and Reply filed 5 July 2007, and that is the current form of the Claims.

On 20 July 2007 the Examiner issued a Final Office Action rejecting all pending claims under 35 U.S.C. §§ 103(a)/102(e) as obvious in light of Postrel (US published patent application 20040098317 and Fitzpatrick (US published patent application 20020046138), and in light of Postrel and Fitzpatrick in various combinations with Bednarek (US published patent application 20050251440) and Eggleston (US 6,061,660). In making the rejections the Examiner entered the amendments and cancellations of 5 July 2007.

In response, on 18 October 2007 Applicant filed a Notice of Appeal appealing the findings of the Examiner stated in the Office Action of 20 July 2007, without further amendment.

Thus all amendments filed by Applicant have been entered, and the current form of the Claims is that set out in the Amendment and Reply filed 5 July 2007.

## **5. Summary of Claimed Subject Matter**

Claims 1, 42, 68, 75, and 79 are independent. As noted in the Abstract and as shown in Figure 1, each of the claims relates to methods or systems for automated marketing using a host controller system 12 that communicates, using for example a network interface 18, with a plurality of remote point of transaction devices 14 during the course of a customer transaction and administers a plurality of award benefits programs using one or more program rules matrices 30.

Purposes for which the invention is useful include the administration of awards benefits programs. As explained in the Background of the Invention, at pages 1 - 4 of the application, awards benefits programs are automated processes whereby benefits to be awarded to customers are calculated and, where appropriate, awarded to qualifying customer(s). Such benefits include, for example, frequent flyer miles, cash or cash equivalents, hotel and vehicle rental benefits such as value-redeemable points, and other rewards (page 2, lines 8 - 20) awarded in return for mileage flown (page 2, line 9) or other transactions (page 4, lines 13 - 17; page 12, line 27 - page 13, line 8). Examples of such awards benefits programs include incentive and loyalty programs (page 1, line 33). Awards benefits programs according to the invention are typically implemented, or otherwise administered, using computer systems. (Page 5, lines 16 - 20.)

Marketing systems and methods according to the invention enable merchants to effectively target marketing, incentives, and offers to create more loyal and profitable customer bases. (Page 4, lines 30 - 31.)

Among the particular advantages offered by the invention is to allow merchants to award benefits to customers, and to communicate the awarded benefits to the customers, to the customer at the point of the transaction, at the time of the transaction (i.e., in 'real time'). Such benefits, which may for example include coupons or instant discounts or cash awards, may be redeemed immediately, either as a part of the transaction which resulted in their being awarded or as part of an immediate subsequent transaction. Thus, for example, the invention permits both individual

merchants and merchant group(s) to run one-to-one marketing programs between one or more selected merchant(s) and one or more selected customer(s) or customer group(s), at the point of transaction, with awards determined, credited, delivered and redeemed in real time. (Page 5, lines 3 - 6; page 7, lines 26 - 31; page 14, lines 1 - 6; page 29, line 20 - page 31, line 12; Figures 5 - 7.) For example, real-time marketing according to the invention permits merchants to dynamically alter and redesign marketing programs in real time, and to modify marketing campaigns mid-stream, based on data received during the early stages of a marketing program. (Page 5, lines 12 - 15.)

Awards benefit programs can be implemented, according to the invention, using program rules matrices modules 30 (Figure 1). Rules matrix module(s) 30 according to the invention can be used to determine, on behalf of individual or preferably multiple merchants or business, benefits to be awarded to qualifying customers based upon data representing, for example, qualifying customer identifier(s), qualifying merchant identifier(s), and qualifying customer behavior(s). (Page 4, line 27 - page 5, line 4; page 7, lines 26 - 31; page 11, lines 17 - 26; page 19, line 26 - page 20, line 2.) Rules implemented using the program rules matrix modules 30 can include preselected logic rules based on suitable preselected award criteria. (Page 10, line 8 - page 11, line 5; page 27, line 6 - page 28, line 16.)



## **6. Grounds of Rejection to be Reviewed on Appeal**

The issues in this Appeal are:

- (A) whether the Examiner has established that claims 1, 2, 4, 6-12, 17-25, 27-32, 39-43, 46-53, 55-62, 68, 69, 71-73, and 75-85 are unpatentable, pursuant to 35 U.S.C. § 103(a), over Postrel (published US patent application 20040098317) in view of Fitzpatrick (published US patent application 20020046138);
- (B) whether the Examiner has established that claims 5, 54, 70, and 74 are unpatentable, pursuant to 35 U.S.C. § 103(a), over Postrel (published US patent application 20040098317) in view of Fitzpatrick (published US patent application 20020046138) in view of Eggleston (US patent 6,061,660);
- (C) whether the Examiner has established that claims 13-15, 33, 34, and 36-38 are unpatentable, pursuant to 35 U.S.C. § 103(a), over Postrel (published US patent application 20040098317) in view of Fitzpatrick (published US patent application 20020046138) in view of Bednarek (published US patent application 20050251440); and
- (D) whether the Examiner is engaged in piecemeal examination of the Application, contrary to MPEP 707.07(g).

## **7. Argument**

### **a. 35 U.S.C. 102(e)**

Applicant notes that, as observed consistently throughout prosecution below, the priority date of the Application herein is 22 August 2000. The Application herein stands rejected pursuant to 35 U.S.C. 103(a), and presumably 35 U.S.C. 102(e), in view of, *inter alia*, three published US patent applications:

US 2004/0098317 - claimed priority 23 June 1999 (hereinafter "Postrel")

US 2002/0046138 - claimed priority 16 May 2000 (hereinafter "Fitzpatrick")

US 2005/0251440 - claimed priority 3 August 1999 (hereinafter "Bednarek")

While the claimed priority dates of those publications predates the priority date of the Application herein, applicant notes for the record that (a) none of the cited publications was published prior to the 35 U.S.C. 102(b) date relevant to the Application herein; and (b) it has not yet been established by the Examiner that the disclosure relied upon by the Examiner in rejecting Applicant's claims is entitled to a priority date which predates Applicant's claims.

In order to expedite examination of the Application given its current procedural stance, and in view of the Examiner's refusal to acknowledge the validity of Applicant's arguments or even take proper notice of Applicant's amendments, Applicant elects at this time to respond on the merits. However, Applicant continues its express reservation of the right to contest the applicability of each of the foregoing references in later prosecution on at least the grounds noted.

### **b. 35 U.S.C. 103: Claims 1, 42, 75, and Dependents**

At paragraph 3 of the Detailed Action in the Office Action of 20 July 2007, the Examiner has rejected Claims 1, 2, 4, 6-12, 17-25, 27-32, 39-43, 46-53, 55-62, 68, 69, 71-73, and 75-85, which includes all pending independent claims, as unpatentably obvious, pursuant to 35 U.S.C. § 103(a) (applied pursuant to 35 U.S.C. 102(e)) over

Postrel in view of Fitzpatrick. Applicant respectfully submits that the Examiner has failed to appreciate the meaning or the nature of Applicant's claimed invention, and has failed to establish a case of obviousness. Applicant respectfully requests that the findings of the Examiner be overturned and the claims allowed.

The Supreme Court has instructed us that, in order to establish a case of obviousness, "the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the art resolved. Against this background the obviousness or nonobviousness of the subject matter is determined. Such secondary factors as commercial success, long felt but unrecognized needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented." *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (2007), citing *Graham v. John Deere Co.*, 383 U.S. 1 (1966). Here the Examiner has (i) incorrectly interpreted the scope and content of the prior art; (ii) incorrectly ascertained the differences between the prior art and the claims at issue; (iii) entirely declined to address the level of ordinary skill in the art; and has thus (iv) accordingly failed to appreciate or properly evaluate the nonobviousness of the claimed subject matter.

#### **(1) The Scope and Content of the Prior Art**

As noted above, Applicant's claimed invention relates to methods and systems for automated marketing, in which a host controller 12 communicates with a plurality of remote point of transaction devices 14 during the course of a transaction, and administers a plurality of award benefits programs using one or more program rules modules 30. In particular, during the course of a sales or other transaction, the host controller 12 determines a benefit not immediately tied to the transaction which is to be awarded to a user, such as a customer who is involved in the transaction; assigns (i.e., awards) the determined benefit to the user; and communicates information relating to the awarded benefit, or to an updated award status, to the point of transaction system which originated the transaction, during the transaction. None of the references cited by

the Examiner, either separately or in combination, teach or suggest such systems or methods, which represent a new departure in benefit awards.

As a preliminary matter, in addition to the particular failures noted below, Applicant notes that the Examiner has not identified any location in the prior art where the vast bulk of the limitations described in the Claims are disclosed. The findings of the Examiner are directed toward an earlier version of the Claims, most of which have been amended twice or more without any resultant change in assertions by the Examiner: the Examiner has not changed the bulk of his findings since his initial Action mailed 24 March 2006, despite three intervening amendments and responses. His findings have merely been copied verbatim into succeeding Actions, without change or apparent additional thought, and are, not surprisingly, even less relevant than they were when made. The Examiner has simply failed to address Applicant's arguments or amendments in a meaningful way.

For purposes of the current rejection, as applied to Claims 1, 42, and 75 (and their dependent claims), Claim 1 is representative. Claim 1 recites:

1. (previously presented) An automated marketing method implemented using a host controller system that communicates with a plurality of remote point of transaction systems and administers a plurality of awards benefits programs, comprising:

acquiring a unique user identifier, a unique merchant identifier, and a user behavior identifier at a point of transaction remote from the host controller system;

communicating each of the identifiers to the host controller system over a communications network;

performing a series of steps at the host controller system, including: validating at least one of the user identifier, the merchant identifier and the user behavior identifier to *determine eligibility for participation in at least one award benefits program administered by the host controller system and, upon validation,* identifying a program matrix rules module associated with the at least one award benefits program for which eligibility has been determined; applying a set of preselected logic rules contained in the program matrix rules module to at least one of the user identifier, the merchant identifier and the user behavior identifier to determine an award benefit, *and assigning at least one award benefit to the user* when at least one preselected criteria for the award is satisfied; and

communicating information relating to the award benefit or an updated award status condition from the host controller system to the point of transaction over a communications network.

The Examiner has erroneously stated that he has identified each of the elements of this claim as being disclosed in the prior art: the vast bulk of them have not been properly identified. In particular, however, the Examiner has failed to point out where in the prior art the limitations of:

(i) performing a series of steps at the host controller system, including... assigning at least one award benefit to the user; and

(ii) communicating information relating to the award benefit or an updated award status condition from the host controller system to the point of transaction...

are to be found. This is not surprising, as neither limitation is either taught or suggested by the prior art.

(i) performing a series of steps at the host controller system, including... assigning at least one award benefit to the user when at least one preselected criteria for the award is satisfied

Applicant is unable to identify where in the Office Action the Examiner has identified this limitation in Postrel or any of the other cited references. It appears to Applicant that the Examiner has suggested that the limitation is disclosed in Postrel. Like Applicant's claims, Postrel discloses a system in which a server (20 in Postrel) is interposed between those who have been awarded benefits (40 in Postrel) and those who from whom such benefits may ultimately be redeemed (10, 12, 14, 30 in Postrel). However, as noted in its Abstract, and throughout its specification, Postrel discloses system and method for operating a program adapted for *gathering* ("accumulating", in the parlance of Postrel) and *redeeming* pre-existing reward points granted by other parties (and not an awards assignment program), wherein a trading server 20 (see e.g. Figure 1) *accumulates previously-awarded rewards points* from a plurality of points issuers 10, 12, 14, and enables a user to redeem the accumulated points for merchandise.

This is, as noted in each of the preceding responses to Office Action filed by Applicant, clearly distinct from the *awarding of previously non-existing benefits*. Gathering or accumulating data representing previously-awarded benefits is simply and transparently not the same as applying rules to sets of circumstances in order to determine eligibility for and award benefits as clearly described and claimed by Applicant. Gathering or accumulating data representing previously-awarded benefits does not entail acceptance of the liability, risk, or other responsibilities associated with awarding benefits, i.e., transferring value, where none existed before.

Thus Postrel clearly fails to disclose “performing a series of steps *at the host controller* system, including... identifying a program matrix rules module associated with... at least one award benefits program for which eligibility has been determined; applying a set of preselected logic rules contained in the program matrix rules module... and *assigning at least one award benefit* to the user when at least one preselected criteria for the award is satisfied.”

At page 8 of the Detailed Action of 20 July 2007 the Examiner admits that *Postrel “does not explicitly disclose that the trading server [20 in Postrel] manages reward programs for other entities where the other entities do not also manage the reward program.* [Emphasis added.] However, Fitzpatrick discloses multiple, different award programs that are stored at and administered/operated by a central/host controller.” The relevance of these statements to Applicant’s claims is not understood. Fitzpatrick does not disclose “*performing a series of steps at the host controller system, including... assigning at least one award benefit to the user...*” any more than Postrel does.

The Examiner has mischaracterized Fitzpatrick. The system disclosed by Fitzpatrick does not “administer/operate” any awards programs: Fitzpatrick describes a system in which other parties set up, operate, maintain and control their own awards systems remotely, using processors and most importantly storage devices provided by what in Applicant’s parlance might be termed a host controller. In Fitzpatrick, in all cases, *the users control their own awards programs using their own input and output devices, and retain control of and responsibility for their own awards programs.* In other

words, Fitzpatrick provides outsourced processing power for programs controlled and administered by the remote users themselves, not by the host controller.

Specifically, Fitzpatrick describes a program processor 108 and a storage device 112 (Figure 1) adapted for use by a number of “customers” client systems 118. Each “customer” system 118 is operated not by a consumer, but by “a business or other entity having a plurality of participants such as employees, contractors... The customer 118 is interested in providing awards to these employees, its contractors and/or others...” (para. 0067). Using the program processor 108 and/or its own customer processor 104 to set up and administer its own rewards program, each customer 118 electronically accesses a predefined program 416 stored in the storage device 112 (para. 0068) to create, and modify, its own “individual, modified program” stored on device 112 via customer processor 104 (para. 0071). Thereafter “each customer 118 [i.e., in the parlance of Fitzpatrick, the business entity operating the awards program] operates the modified program 126 by using the software 122 to reward participants 120 [i.e., in the parlance of Fitzpatrick, the business 118’s contractors or employees] on the basis of each participant’s performance.

In other words, the Fitzpatrick “supplier system 130” provides only storage devices 112 and processing devices 108, which are controlled by the various individual customers 118 for their own ends, to create and administer their own individual rewards programs. Each of the Fitzpatrick customers 118 sets up, operates, and stores its own rewards programs separately, in parallel, using Fitzpatrick simply as a processing and storage resource (Fitzpatrick, paras. [0071] et seq.). In essence, Fitzpatrick provides a distributed processing system for implementing a previously-solved awards benefit administration problem. Fitzpatrick addresses technical aspects of data processing and storage, not the underlying processes by which rights in benefits are created and assigned, which are the subject of Applicant’s claims and invention.

Thus, like Postrel, Fitzpatrick fails to disclose, as described and claimed by Applicant, performing a series of steps “*at the host controller system*”, including... applying a set of preselected logic rules contained in the program matrix rules module... and *assigning at least one award benefit* to the user.” No such functions are performed

at the host controller: they are individually performed by and controlled at the client “customer” devices 118, using the processor device 108 and storage device 112 of the supplier 130 in the same manner they would be used if they were located in the “customer’s” own facility.

Moreover, in as much as Fitzpatrick provides for the remote control and administration of separate rewards programs in parallel, without crossover, Fitzpatrick does not disclose the use of “program matrix rules modules” as disclosed and claimed by Applicant. (Compare Fitzpatrick, paras. [0071] et seq. to Applicant’s Claim 1.) As previously noted, Applicant’s claimed invention provides rules matrix module(s) 30 to determine, on behalf of individual or preferably multiple merchants or business, benefits to be awarded to qualifying customers based upon data representing, for example, qualifying customer identifier(s), qualifying merchant identifier(s), and qualifying customer behavior(s). (Page 4, line 27 - page 5, line 4; page 7, lines 26 - 31; page 11, lines 17 - 26; page 19, line 26 - page 20, line 2.) This means, for example, that the host controller 12 can allow multiple merchants or businesses to cooperate in authorizing the potentially independent host controller 12 to award benefits on their behalf, at the host controller 12’s separate risk. (See, for example, page 11, lines 17-26). This is fundamentally different than allowing multiple remote users to administer their own separate, parallel awards programs, at their own risk.

Thus Neither Postrel nor Fitzpatrick discloses or suggests Applicant’s claimed invention.

(ii) communicating information relating to the award benefit or an updated award status condition from the host controller system to the point of transaction...

Moreover, neither Postrel nor Fitzpatrick discloses or suggests communicating previously-nonexistent benefits or updated award status from a host controller to a point of transaction during the time of the transaction, as recited by Applicant’s claims.

At page 3 of the Detailed Action of 20 July 2007, the Examiner asserts that “communicating information relating to delivery of an award or and updated award status condition to the point of transaction over a communications network” is disclosed



at Figure 6, Figure 4, and Figure 5 of Postrel. Applicant respectfully traverses: Figures 4, 5, and 6 in fact provide no such disclosure. Figures 4 and 5 are system diagrams which disclose nothing whatever about the nature of communications transferred within the system; and Figure 6 is a flow chart which discloses no communication by a host processor to a user (40 in Postrel; a user of POT devices 14 in Applicant's disclosure) whatsoever. The sole communications described in Figure 6 as emanating from the host processor (the "Trading Server") are at steps 610 and 620, which both describe communications between the Trading Server (20) and the Reward Server (10, 12, 14), and not the user.

Assuming for the purposes of this response that the Examiner means that such disclosure is provided in the text supporting Figures 4, 5, and 6, of Postrel, Applicant notes that, in describing those Figures, Postrel explains (para. 0031) that:

The method of allowing the user to redeem the accumulated reward points from one or more of a plurality of reward entities [is] described with respect to Figure 4 and the data flow diagram of Figure 6... The user, from the user computer [40], makes a request to the trading server computer 20 at step 102, requesting redemption through the network 2 for a portion of the pre-accumulated reward points stored for the user in one of the rewarding entities... The trading server 20 'obtains' the [pre-accumulated] reward points from a reward server 10, 12, 14 [i.e., not a host controller as contemplated by Applicant] stored in the user's account 52 by contacting the appropriate award server at step 110... The reward server 10 [i.e., not a host controller as contemplated by Applicant] decreases the users [sic] reward account 52 by the requested number of reward points... (emphasis added).

Thus it is seen that there is no mention in this or any other portion of Postrel of "communicating information relating to the [newly-awarded] award benefit or an updated award status condition from the host controller system to the point of transaction...", much less during the time of a transaction as recited by Applicant's claim.

Postrel describes no post-transaction communication whatever by a host controller with a user or a point of transaction: indeed, as Postrel contemplates redemption of benefits online, using third-party remote delivery systems, *there is no "point of transaction" in Postrel*. In order to provide a point of transaction analogous to

Applicants POT devices 14, the Merchant 30 and User Computer 40 would have to be both co-located and combined. Postrel contemplates a user at home on his own PC obtaining merchandise over the Internet, or analogous systems.

As clearly described in the portions of Postrel cited by the examiner, the host system in Postrel does no more than convey consideration to a merchant from whom an item has been redeemed, and request that the merchant deliver the item to the requesting user via some transportation or delivery service. See, e.g., paras. [0016], [0032]. Again, there is no point of transaction in Postrel.

The Examiner does not assert that Fitzpatrick discloses or suggests this missing feature, and Fitzpatrick does not do so.

## **(2) Differences Between the Prior Art and the Claims at Issue**

As noted, neither Postrel nor Fitzpatrick teaches or suggests, either alone or in combination, at least (a) a host controller awarding previously non-existent awards benefits, and (b) the same host controller communicating newly-awarded benefits to a user at the point of transaction, at the close of or during the transaction. These are significant distinctions. Applicant's claims recite matter which clearly amounts to more than a mere combination of old elements. Applicant's important new features are entirely lacking in the prior art.

It is important to note that the non-disclosed features of Applicant's claims are new and different, and not, as the Examiner suggests, merely obvious variations in known data processing techniques that would amount to new combinations of old data processing components or procedures. See, pages 8 and 20 of the Detailed Action of the Office Action mailed July 20, 2007: "Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that the functions of Postrel's reward and trading servers can be combined into one host/central server that interacts with the merchants of Postrel."

Applicant's claimed new features mark a significant departure in the awarding and processing of rewards benefits, and therefore in the stimulation of commercial

activity. By shifting to a central host controller 12 operated by a potentially-independent third party on behalf of a plurality of independent awards program administrators, Applicant's claimed invention involves significant new patterns of financial ownership, obligation, liability, risk, and reward. Moreover, by providing for the communication of changed awards status to a user at the point of transaction, during a transaction, Applicant's claimed invention provides for entirely new and innovative pacing in benefit awards programs. The significance of such changes would be lost on those on whom the Examiner appears to focus, i.e., those who would be assigned the task of assembling and suitably programming the systems described, working from previously-conceived programming specifications. Such technicians would typically not be capable of appreciating the differences, much less find it obvious to implement them using existing network and data processing blocks. While the types of physical components used, and the types of incremental processing done, at individual stages of processing might be of a generalized nature known to those who implemented other systems previously, to use them in the new and different ways described and claimed by Applicant, with their appurtenant ramifications for responsibility, liability, risk, reward, and pacing, is to add wholly new business and economic elements that did not previously exist.

This results from both (a) assigning to a host controller the task of awarding previously non-existent awards benefits, and (b) assigning the same host controller the task of communicating newly-awarded benefits to a user at the point of transaction, at the close of or during the transaction.

### **(3) The Level of Ordinary Skill in the Art**

Through the course of four office actions, the Examiner has entirely failed to address this issue, other than the suggestion, cited above, at pages 8 and 20 of the Detailed Action of the Office Action mailed July 20, 2007, that the level of such skill would be that possessed by a computer programmer or systems specialist assigned the technical task of implementing the invention as conceived by others.

Applicant respectfully submits that any such suggestion is incorrect, and that the level of ordinary skill in the art would more likely be that of a business manager with several years' experience in the field of administering awards programs, including awarding and managing awards benefits. The claimed invention and the disclosure of Applicant's specification are clearly drawn to such systems, and only such a person would have - upon reflecting on Applicant's disclosure - an appreciation of the benefits, risks, and other effects of shifting responsibility and accountability for assigning and redeeming awards benefits, and communicating with system users about changes during the course of a transaction.

The ordinary computer technician would have no appreciation of Applicant's improvements, and the business-level decision maker would not find them obvious.

#### **(4) The Non-Obviousness of the Claims**

Using the Graham framework, it is easy to see that Applicant's claims are not obvious in light of the cited art.

Whole significant elements - the awarding of benefits by a host controller and the communication of award status changes to a user in the context of a transaction - are lacking in the cited art. These elements contribute significant new ideas and possibilities in assigning the risk and responsibilities associated with awarding such benefits, and amount to considerably more than mere matters of programming convenience.

That the effects of making such assignments of risk and responsibility would not be obvious to those of ordinary skill in the relevant art is clear on its face. Moreover, it is clear, in view of the Examiner's repeated failure to cite references that teach or suggest such elements, that no one had thought of arrangements such as those claimed by Applicants throughout the many years such systems have been in use; and Applicant has enjoyed considerable success through implementing them.

Applicant's claimed invention is not obvious. Applicant respectfully requests that the Board overturn the finding of the Examiner, and that the claims be allowed.

**(5) Claims 42 and 75**

As noted above, Claim 1 is, for purposes of the current rejection, representative of Claims 42, 75, and their dependents as well. For the convenience of the Board Applicant outlines below limitations recited by claims 42 and 75 which correspond for purposes of the current rejection to the limitations relied upon above with respect to Claim 1.

Claim 42

Claim 42 recites, among other features:

42. An automated marketing system comprising a host controller system that communicates with a plurality of remote point of transaction devices... *during the course of a transaction* and administers a plurality of award benefits programs, wherein:

...the host controller system is capable of... assigning an award benefit to the user at the host controller system...;

and communicating information relating to delivery of the award benefit or the updated award status condition to the device at the point of transaction over the network interface.

In that it explicitly recites that the awards benefits are assigned, and the communication is provided to the point of transaction, *during the course of a transaction*, the arguments provided above with respect to Claim 1 apply with even greater force to Claim 42. As noted above, no such features are disclosed in the cited references.

Claim 75

Claim 75 recites, among other features:

75. An automated marketing method *implemented using a host controller system that administers a plurality of award benefits programs* comprising:

...assigning an award benefit to the user when at least one preselected award criterion for determining eligibility for an award benefit is satisfied; and

communicating information relating to the award or an updated award benefit status to the point of transaction.

For purposes of the current rejection, these limitations correspond to the cited limitations of Claim 1, and the arguments provided with respect to Claim 1 apply to Claim 75 with equal or greater force.

**c. 35 U.S.C. 103: Claims 68, 79, and Dependents**

At paragraph 3 of the Detailed Action the Examiner rejected independent claims 68 and 79, along with several dependent claims, as obvious over Postrel in view of Fitzpatrick. However, the Examiner has never pointed out where key features of those claims are disclosed, including particularly, with respect to Claim 68:

68. An automated marketing method implemented using a host controller that administers a plurality of award benefits programs sponsored by a plurality of merchants, comprising:

...d. accessing a program matrix rules module containing a plurality of predetermined award criterion corresponding to the at least one award benefits program implemented by the host controller, applying the program matrix rules... to determine at least one predetermined award benefit available to the user when-at least one preselected award criterion is satisfied;

e. applying an award prioritization system that selects a single award benefit when a user qualifies ... and

f. communicating information relating to the award benefit or an updated award status from the host controller to the location remote from the host controller.

and, with respect to claim 79:

79. An automated marketing system comprising a host controller that communicates with a point of transaction device over a network interface during the course of a transaction and administers a plurality of award benefits programs having different award benefits rules, wherein:

...the host controller is capable of selecting a program matrix rules module associated with the eligible award benefits program and performing a rate calculating processing step applying a preselected set of criteria stored

in the program matrix rules module associated with the eligible award benefits program to determine eligibility for an award benefit based on the preselected set of criteria stored in the program matrix rules module;

the host controller is capable of selecting a single award benefit, or multiple award benefits from among qualified award benefits based on predetermined award priorities; and

the host controller is capable of communicating information relating to an award benefit or an updated award status condition to the device at the point of transaction over the network interface.

Throughout 25 pages of prior art description, the Examiner never makes any mention whatever of such features.

As noted above, the Supreme Court has instructed us that, in order to establish a *prima facie* case of obviousness, “the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the art resolved. Against this background the obviousness or nonobviousness of the subject matter is determined. Such secondary factors as commercial success, long felt but unrecognized needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (2007), citing *Graham v. John Deere Co.*, 383 U.S. 1 (1966). Here the Examiner has (i) incorrectly interpreted the scope and content of the prior art; (ii) incorrectly ascertained the differences between the prior art and the claims at issue; (iii) entirely declined to address the level of ordinary skill in the art; and has thus (iv) failed to appreciate the nonobviousness of the claimed subject matter.

#### **(1) The Scope and Content of the Prior Art**

As noted above, the Examiner has misunderstood both Applicant’s claimed invention and the manner in which it relates to the prior art: the Examiner became fixed at an early stage of prosecution on one set of claims and has remained fixed thereon, despite multiple clarifying amendments. And the Examiner has *never* addressed the limitations of claims 68 and 79: with respect to the limitations of Claims 68 and 79, the

Examiner has failed utterly to point to any disclosure in the prior art of key features of the claims.

## **(2) Differences Between the Prior Art and the Claims at Issue**

As noted above, the Examiner has failed to appreciate the teachings of Postrel and Fitzpatrick. Again, as previously noted, in its Abstract and throughout its specification Postrel discloses system and method for operating a program adapted for *gathering* ("accumulating", in the parlance of Postrel) and *redeeming* pre-existing reward points granted by other parties (i.e., not an awards *assignment* program), wherein a trading server 20 (see e.g. Figure 1) accumulates previously-awarded rewards points from a plurality of points issuers 10, 12, 14, and enables a user to redeem the accumulated points for merchandise.

The Examiner has also mischaracterized Fitzpatrick. The system disclosed by Fitzpatrick does not "administer / operate" any awards programs, as claimed by the Examiner at page 8 of the Detailed Action: Fitzpatrick describes a system in which other parties set up, operate, maintain and control their own awards systems remotely, using processors and most importantly storage devices provided by what Applicant would term a host controller. In Fitzpatrick, in all cases, customer-businesses control their own awards programs using their own input and output devices, and retain control of and responsibility for their own awards programs. In other words, Fitzpatrick provides outsourced processing power for programs controlled by the remote users themselves, not by the host controller.

This is significantly different from Applicant's claimed systems and methods. As noted at pages 18 - 19 of Applicant's response filed 5 July 2007, and as described at paragraphs [0015] - [0018], [0020], [0026], and [0072] et seq. of Applicant's specification, independent claims 68 and 79 recite automated marketing systems and methods implemented by host controllers that administer pluralities of awards benefits programs, and which include determining eligibility of a user to participate in an award benefits program and whether (previously-non-existent) awards benefits are available to the user. Because the user may be eligible for multiple awards benefits programs and



qualify for multiple awards within each eligible award benefit program, an award prioritization system is applied to select a single award benefit among multiple possible awards. Again, the award benefit or updated award status information is communicated from the host controller to the remote location where the user, merchant, and transaction information is acquired (i.e., the point of transaction).

No such functionality is taught or suggested by the cited art, and the Examiner has never pointed out where such functionality is disclosed. Such limitations are entirely lacking in the prior art.

### **(3) The Level of Ordinary Skill in the Art**

As noted above, the Examiner has failed to address this issue through four office actions, other than to suggest, as cited above, at pages 8 and 20 of the Detailed Action of the Office Action mailed July 20, 2007, that the level of such skill would be that possessed by a computer programmer or systems specialist assigned the technical task of implementing the invention as conceived by others.

Applicant again respectfully submits that any such suggestion is incorrect, and that the level of ordinary skill in the art would more likely be that of a business manager with several years' experience in the field of administering awards programs, including awarding and managing awards benefits. The claimed invention and the disclosure of Applicant's specification are clearly drawn to such systems, and only such a person would - after thoughtful consideration of Applicant's specification - have an appreciation of the benefits, risks, and other effects of shifting responsibility and accountability for assigning and redeeming awards benefits, and communicating with system users about changes during the course of a transaction.

### **(4) The Non-Obviousness of the Claims**

Using the Graham framework, it is again easy to see that Applicant's claims are not obvious in light of the cited art.

Whole significant elements - the awarding of benefits by a host controller and the communication of award status changes to a user in the context of a transaction - are

lacking in the cited art. These elements contribute significant new ideas and possibilities in assigning the risk and responsibilities associated with awarding such benefits, and amount to considerably more than mere matters of programming convenience.

That the effects of making such assignments of risk and responsibility would not be obvious to those of ordinary skill in the relevant art is clear on its face. Moreover, it is clear that no one had thought of arrangements such as those claimed by Applicants throughout the many years such systems have been in use; and Applicant has enjoyed considerable success through implementing them.

Applicant's claimed invention is not obvious. Applicant respectfully requests that the Board overturn the finding of the Examiner, and that the claims be allowed.

**d. Dependent Claims; Rejections in Further View of Eggleston and Bednarek**

If an independent claim is non-obvious under 35 USC 103, then any claim depending therefrom is non-obvious. *In re Fine*, 837 F.2d 1071, 5 USPQ.2d 1596 (Fed. Cir. 1988). Each of the presented independent claims being non-obvious, as explained above, each of the dependent claims is also non-obvious. Applicants respectfully request that the finding of the Examiner regarding the patentability of all claims be overturned.

For the sake of clarity, Applicant notes that this conclusion applies not only to all rejections under Postrel and Fitzpatrick, but also to the rejection at paragraph 4 of the Detailed Action (page 16) of Claims 5, 54, 66, 70, and 74 in further view of Eggleston, and to the rejection at paragraph 4 (page 17) of Claims 13-15, 33, 34, 36-38, and 63-65 in further view of Bednarek.

Some indication of the degree of care with which the Examiner has considered the various responses and amendments Applicant has entered in its sincere attempts to meet the Examiner's concerns and advance prosecution of the application may be gleaned from the fact that at paragraphs 4 and 5 the Examiner has continued to reject Claims 63-66 in view of Eggleston and Bednarek, despite the cancellation of those

claims in Applicant's response filed 22 September 2006 - three full rounds of examination prior to the rejections entered in the Office Action which is the subject of this Appeal.

**e. Piecemeal Examination**

In addition to the lack of proper attention noted above which the Examiner appears to have given to examination of the Application herein, Applicant respectfully submits that the Examiner has been engaged in piecemeal examination of the Application, contrary to 35 U.S.C. 132, 37 C.F.R. 1.104 and MPEP 707.07(f) and (g), and requests that the Examiner be instructed to allow the claims and close examination.

Pursuant to 35 USC 132, the Examiner has a duty, when rejecting claims, to state the reasons for such rejection... together with any information and references as may be useful in judging the propriety of continuing the prosecution of his application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined.

Pursuant to 37 CAR 1.104, and MPEP 707.07(f) and (g), the Examiner's action is to be complete as to all matters, is to answer all material traversed, and is to avoid piecemeal rejection.

Here the Examiner has (a) ignored multiple amendments of Applicant's claims; (b) has repeated verbatim multiple pages of assertions used as the basis of his rejections, although such assertions were mooted several responses ago by amendments and cancellations; (c) has repeatedly failed to point out where in the prior art recited elements of Applicant's claims are taught or suggested; and (d) has utterly failed to address the question of the person of ordinary skill in the art. Moreover, when Applicant has successfully overcome a base reference, the Examiner has (e) merely tacked onto the rejection a prior art reference of no additional significance and repeated his rejections verbatim, with minimal and non-specific additional assertions.

For example, the material recited at paragraph 3 of the Detailed Action of the Office Action of 20 July 2007, including material on pages 2 - 7 and 8 - 16 of that Action

has been copied verbatim from at least the previous two Office Actions, despite numerous intervening amendments and arguments. As noted above, the Examiner has rejected Claims 63-66 three times after they were cancelled.

Moreover, upon finally accepting Applicant's arguments with respect to Postrel in the 20 July 2007 Office Action, the Examiner merely added citation of the Fitzpatrick reference, which is no more relevant for the purposes cited than any of the previously-cited reference.

The citation of Fitzpatrick and the thoughtless repetition of inappropriate rejections has merely stalled the advancement of the examination and unjustly delayed issuance of the patent to which Applicant is entitled.

Moreover, the Examiner has wholly ignored Applicant's arguments presented at pages 18 and 19 of its response filed 5 July 2007, relating to independent claims 68 and 79, and other significant portions of Applicant's arguments, despite his failure to cite any location in the prior art at which distinguishing limitations of applicant's Claims are disclosed or suggested.

Applicant respectfully requests that the Examiner be instructed to cease incomplete and piecemeal examination of the Application, allow the claims, and close prosecution.

## **8. Claims Appendix**

The following is a complete listing of the claims currently presented in the application and subject to this Appeal.

1. An automated marketing method implemented using a host controller system that communicates with a plurality of remote point of transaction systems and administers a plurality of award benefits programs, comprising:

acquiring a unique user identifier, a unique merchant identifier, and a user behavior identifier at a point of transaction remote from the host controller system;

communicating each of the identifiers to the host controller system over a communications network;

performing a series of steps at the host controller system, including: validating at least one of the user identifier, the merchant identifier and the user behavior identifier to determine eligibility for participation in at least one award benefits program administered by the host controller system and, upon validation, identifying a program matrix rules module associated with the at least one award benefits program for which eligibility has been determined; applying a set of preselected logic rules contained in the program matrix rules module to at least one of the user identifier, the merchant identifier and the user behavior identifier to determine an award benefit, and assigning at least one award benefit to the user when at least one preselected criteria for the award is satisfied;

and

communicating information relating to the award benefit or an updated award status condition from the host controller system to the point of transaction over a communications network.

2. The automated marketing method according to claim 1, additionally comprising maintaining databases for user identifiers, merchant identifiers and user behavior identifiers at the host controller system and updating and storing at least one of a user, merchant and user behavior file on the databases following communication of the user, merchant and user behavior identifiers.
3. (canceled)
4. The automated marketing method according to claim 1, additionally comprising communicating information relating to the user identifier, user behavior identifier, the award benefit or the updated award status condition to a participating merchant.
5. The automated marketing method according to claim 1, additionally comprising printing information relating to the award benefit, or the updated award status condition on a transaction receipt generated at the point of transaction.
6. The automated marketing method according to claim 1, additionally comprising displaying information relating to award eligibility or the updated award status condition at the point of transaction.
7. The automated marketing method according to claim 1, additionally comprising performing an award prioritization processing step at the host controller system after applying the set of preselected logic rules contained in the program matrix rules module when a transaction is eligible for multiple awards.
8. The automated marketing method according to claim 1, wherein user eligibility for participation in at least one marketing program is based on at least one of the qualifiers selected from the group consisting of: membership in a participating organization; participation in a loyalty program; participation in a gift card program; holding of a credit instrument; holding of a debit instrument; holding of an account; membership in a subscriber base; participation in a service; and simultaneous or prior purchase of qualifying good(s) or service(s).

9. The automated marketing method according to claim 1, wherein the award benefit is expressed in an award currency selected from the group consisting of: points; gift cards; gift certificates; instant prizes; custom coupons; merchandise; credit; services; benefits; and cash.

10. The automated marketing method according to claim 1, wherein the user behavior identifier is selected from the group consisting of: identification of predetermined item(s) purchased; identification of predetermined service(s) purchased; identification of item type purchased; identification of service type purchased; purchase price of individual item(s); purchase price of individual service(s); presence of user in a location; purchase in a location; purchase value total; purchase date; purchase time; purchase location; award delivered; and award accumulated.

11. The automated marketing method according to claim 1, additionally comprising modifying the eligibility of at least one of the user identifier, the merchant identifier; and the user behavior identifier for participation in at least one marketing program at the host controller system.

12. The automated marketing method according to claim 1, additionally comprising modifying the program matrix rules module for determining eligibility of the user, the merchant and the user behavior for an award based on a modified set of logic rules different from the preselected logic rules.

13. The automated marketing method according to claim 1, additionally comprising implementing an award accelerator program, whereby successive qualifying behaviors of qualifying users at one or more qualifying merchants over a time period amplify the user's award compared to the previously applied award.

14. (canceled)

15. The automated marketing method according to claim 1, additionally comprising implementing an award decelerator program, whereby successive qualifying behaviors of qualifying users at one or more qualifying merchants over a time period reduce the user's award compared to the previously applied award.

16. (canceled)

17. The automated marketing method according to claim 1, additionally comprising accumulating qualifying customer behaviors at the host controller system over a time period to calculate awards.

18. The automated marketing method according to claim 1, additionally comprising storing and accessing user behavior historical information based on the user identifier and user behaviors, and applying a set of preselected logic rules contained in the program matrix rules module based, at least in part, on the user behavior historical information.

19. The automated marketing method according to claim 1, additionally comprising storing and accessing user demographic information based on the user identifier, and applying a set of preselected logic rules contained in the program matrix rules module based, at least in part, on the user demographic information.

20. The automated marketing method according to claim 1, additionally comprising implementing multiple marketing programs at the host controller system, involving multiple merchants and/or merchant groups, upon validating the eligibility of one or more user identifier(s).

21. The automated marketing method according to claim 1, additionally comprising implementing multiple marketing programs at the host controller system, involving multiple user identifiers or user identifier groups, upon validating the eligibility of one or more merchant identifier(s).

22. The automated marketing method according to claim 1, additionally comprising acquiring at least one transaction payment identifier at the point of transaction, wherein the user identifier and the at least one transaction payment identifier are acquired in a single step at the point of transaction.

23. The automated marketing method according to claim 22, wherein the single step at the point of transaction is a single examination of an identifying object.



24. The automated marketing method according to claim 22, wherein the single step at the point of transaction is a single card swipe and the card is a financial instrument.

25. The automated marketing method according to claim 22, additionally comprising communicating the at least one transaction payment identifier to an appropriate financial institution or intermediate for processing.

26. (canceled)

27. The automated marketing method according to claim 22, additionally comprising communicating the at least one transaction payment identifier to the host controller over a communications network.

28. The automated marketing method according to claim 22, comprising communicating the user identifier and the at least one transaction payment identifier to the host controller over a communications network, and additionally communicating the at least one transaction payment identifier to an appropriate financial institution or intermediate for processing.

29. The automated marketing method according to claim 22, additionally comprising acquiring a credit or debit account identifier at the point of transaction and communicating the credit or debit account identifier to an appropriate institution for validation and approval.

30. The automated marketing method according to claim 29, additionally comprising transmitting the credit or debit account identifier to the host controller system following validation and approval of the transaction by the appropriate institution.

31. (canceled)

32. The automated marketing method according to claim 1, additionally comprising validating eligibility of at least one of the user identifier, the merchant identifier and user behavior identifier based on at least one preselected redemption criteria, authorizing an award redemption at the host controller system when at least one redemption criterion is satisfied, updating the award status condition based on the award redemption, and

communicating information relating to redemption of an award from the host controller system to the point of transaction over the communications network.

33. The automated marketing method according to claim 1, additionally comprising calculating a program fee at the host controller system for each award benefit assigned and charging an account of a marketing program sponsor for each program fee.

34. The automated marketing method according to claim 33, additionally comprising amplifying successive program fees for successive award benefits assigned to a qualifying user and/or a qualifying merchant compared to a previously assessed program fee.

35. (canceled)

36. The automated marketing method according to claim 33, additionally comprising charging a predetermined flat fee to a marketing program sponsor based on each qualifying user, merchant, and/or behavior.

37. The automated marketing method according to claim 33, additionally comprising charging a predetermined percentage of a transaction amount to a marketing program sponsor based on each qualifying user behavior.

38. The automated marketing method according to claim 33, additionally comprising charging a predetermined percentage of the value of the award benefit assigned to a marketing program sponsor.

39. The automated marketing method according to claim 1, additionally comprising storing and analyzing data collected relative to user identifiers and/or merchant identifiers and/or user behaviors and providing data relating to the analysis to qualifying merchants through an Internet Website portal.

40. The automated marketing method according to claim 1, additionally comprising acquiring the user identifier, the merchant identifier and the user behavior identifier using a point of transaction device selected from the group consisting of: electronic registers, optical and magnetic scanners and readers, barcode scanners, magnetic strip

scanners, radio frequency receivers, transaction card readers, communications devices, computers, personal digital assistants, telephones and pagers.

41. The automated marketing method according to claim 1, additionally comprising acquiring data relating to at least one of the user identifier, the merchant identifier and the user behavior using a personal communications device.

42. An automated marketing system comprising a host controller system that communicates with a plurality of remote point of transaction devices over a network interface during the course of a transaction and administers a plurality of award benefits programs, wherein:

the host controller system incorporates at least one user identifier database, at least one merchant identifier database, and at least one user demographic information database;

the host controller system incorporates a plurality of program matrix rules modules corresponding to a plurality of award benefits programs;

the host controller system is capable of receiving a user identifier, a merchant identifier and a user behavior identifier acquired from any of the point of transaction devices over the network interface;

the host controller system is capable of associating the user identifier acquired from the point of transaction device with user demographic information stored in the user demographic information database and validating the eligibility of the user to participate in at least one award benefits program administered by the host controller system based on the user identifier and/or the user demographic information;

the host controller system is capable of: identifying a program matrix rules module corresponding to at least one award benefits program for which eligibility is validated; performing a rate calculation processing step to determine eligibility of the user, the merchant and/or the user behavior for a predetermined award benefit based on a set of preselected award criteria stored in the program matrix rules module; and assigning an award benefit to the user at the host controller system when at least one preselected award criterion is satisfied; and communicating information relating to

delivery of the award benefit or the updated award status condition to the device at the point of transaction over the network interface.

43. The automated marketing method of claim 1, additionally comprising acquiring the user identifier at the point of transaction by reading user identifier information from a user card.

44. (canceled)

45. (canceled)

46. The automated marketing method of claim 1, additionally comprising acquiring the user identifier and transaction data in a single recognition of a device having a user identifier associated with a financial identifier.

47. The automated marketing method of claim 1 additionally comprising acquiring the user identifier by recognition of a number, a barcode, a fingerprint, a retinal pattern, or a radiofrequency signal.

48. The automated marketing method of claim 1 additionally comprising communicating data to the host controller system via local or regional phone lines, dedicated data transmission lines, cable, cellular, personal communication systems, microwave, radio frequency, fiberoptic, global communications networks or satellite networks.

49. The automated marketing method of claim 1 additionally comprising communicating information relating to delivery of the award benefit or the updated award status condition to the point of transaction via local or regional phone lines, dedicated data transmission lines, cable, cellular, personal communication systems, microwave, radio frequency, fiberoptic, global communications networks or satellite networks.

50. The automated marketing method of claim 1 additionally comprising converting award benefits from different marketing programs into a common award currency and

calculating award balances expressed in the common award currency at the host controller system.

51. (canceled)

52. The automated marketing method of claim 50, wherein the common award currency is redeemable through a plurality of participating merchants or a merchant group.

53. The automated marketing method of claim 1, additionally comprising validating the eligibility of at least one of the user identifier, the merchant identifier and the user behavior identifier to determine eligibility for participation in multiple marketing programs at the host controller system.

54. The automated marketing method of claim 53, in which the multiple marketing programs are selected from the group consisting of: award multiplier programs; swipe and win programs; gift certificate programs; coupon programs; and instant win programs.

55. The automated marketing method of claim 1 additionally comprising administering multiple marketing programs associated with multiple merchants and/or merchant groups through the host controller system and, following acquisition and communication of the user identifier, determining eligibility of the user identifier for participation in multiple marketing programs at the host controller system.

56. The automated marketing method of claim 1 additionally comprising awarding gift certificates in an award currency redeemable in at least one marketing program administered by the host controller system.

57. An automated marketing method of claim 56, additionally comprising associating the gift certificate award with the user identifier and administering gift certificate redemption at the host controller system.

58. An automated marketing method of claim 56, additionally comprising storing the gift certificate award information at the host controller, administering redemption of the

gift certificate award through participating merchants and/or merchant groups in multiple currencies at the host controller system, and communicating information relating to a gift certificate award from the host controller system to the point of transaction.

59 — 67 (canceled)

68. An automated marketing method implemented using a host controller that administers a plurality of award benefits programs sponsored by a plurality of merchants, comprising:

- a. acquiring a unique user identifier, a unique merchant identifier and transaction data at a location remote from the host controller;
- b. communicating each of the identifiers and the transaction data to the host controller over a communications network;
- c. determining eligibility of at least one of the user identifier, the merchant identifier and the transaction data for participation in at least one award benefits program among the plurality of award benefits programs implemented by the host controller;
- d. accessing a program matrix rules module containing a plurality of predetermined award criterion corresponding to the at least one award benefits program implemented by the host controller, applying the program matrix rules to validate the transaction data, the customer identifier and/or the merchant identifier for eligibility for an award benefit to the user and analyze the user identifier, the merchant identifier and/or the user behavior identifier to determine at least one predetermined award benefit available to the user, when-at least one preselected award criterion is satisfied;
- e. applying an award prioritization system that selects a single award benefit when a user qualifies for multiple award benefits; and
- f. communicating information relating to the award benefit or an updated award status from the host controller to the location remote from the host controller.

69. An automated marketing method of claim 1, additionally comprising determining eligibility of at least one of the user identifier, the merchant identifier and the transaction data to determine eligibility for a bonus benefit, assigning a bonus benefit to the user when at least one preselected bonus benefit criterion is satisfied, and communicating information relating to the bonus benefit from the host controller to the location remote from the host controller.

70. An automated marketing method of claim 1, additionally comprising determining eligibility of at least one of the user identifier, the merchant identifier and the transaction data to determine eligibility for an instant win benefit, assigning an instant win benefit to the user when at least one preselected instant win benefit criterion is satisfied, and communicating information relating to the instant win benefit from the host controller to the location remote from the host controller.

71. An automated marketing method of claim 68, additionally comprising accessing user demographic information based on the user identifier prior to accessing the program matrix rules module.

72. An automated marketing method of claim 68, additionally comprising storing the transaction data and information relating to assignment of an award to the user at the host controller.

73. An automated marketing method of claim 68, additionally comprising acquiring a transaction payment identifier, wherein the user identifier and the transaction payment identifier are acquired in a single examination of an identifying object.

74. An automated marketing method of claim 68, additionally comprising delivering a statement to the point of transaction having a personalized message relating to a user's account.

75. An automated marketing method implemented using a host controller system that administers a plurality of award benefits programs comprising:

acquiring a unique user identifier, a unique merchant identifier, transaction data and financial account information at a point of transaction, wherein the unique user identifier and financial account information are acquired by examination of a single identifying object;

communicating each of the identifiers and the transaction data to the host controller system at a location remote from the point of transaction over a communications network;

forwarding transaction data and financial account information from the point of transaction to an institution for payment authorization;

performing a rate calculation processing step at the host controller to determine eligibility of at least one of the user identifier, the merchant identifier and the transaction data for participation in at least one award benefits program following receipt of payment authorization;

determining eligibility of the user identifier, the merchant identifier or the transaction data for at least one award benefit according to the rules of the eligible award benefits program and assigning an award benefit to the user when at least one preselected award criterion for determining eligibility for an award benefit is satisfied; and

communicating information relating to the award or an updated award benefit status to the point of transaction.

76. An automated marketing method of claim 75, wherein the identifying object is a debit or credit card.

77. An automated marketing method of claim 75, additionally comprising acquiring the user identifier and the transaction payment identifier in a single step at the point of transaction.

78. The automated marketing method of claim 75, additionally comprising updating the award balance associated with the user identifier to reflect an award redemption.



79. An automated marketing system comprising a host controller that communicates with a point of transaction device over a network interface during the course of a transaction and administers a plurality of award benefits programs having different award benefits rules, wherein:

the host controller system comprises at least one user identifier database, at least one merchant database, and a plurality of program matrix rules modules for implementing a plurality of marketing programs;

the host controller system is capable of receiving a user identifier, a merchant identifier and a user behavior identifier acquired from a device at a point of transaction over the network interface;

the host controller is capable of validating the eligibility of the user to participate in multiple award benefits programs involving multiple award sponsors based on at least one of the user identifier, the merchant identifier and the user behavior identifier;

the host controller is capable of selecting a program matrix rules module associated with the eligible award benefits program and performing a rate calculating processing step applying a preselected set of criteria stored in the program matrix rules module associated with the eligible award benefits program to determine eligibility for an award benefit based on a the preselected set of criteria stored in the program matrix rules module;

the host controller is capable of selecting a single award benefit, or multiple award benefits from among qualified award benefits based on predetermined award priorities; and

the host controller is capable of communicating information relating to an award benefit or an updated award status condition to the device at the point of transaction over the network interface.

80. An automated marketing system of claim 79, wherein the at least one marketing program is associated with a plurality of merchant identifiers to join multiple merchants in a coordinated marketing program.

81. An automated marketing system of claim 79, wherein the multiple award sponsors are multiple merchants.

82. An automated marketing system of claim 79, wherein the host controller is capable of validating the eligibility of the user to participate in at least one marketing program based upon recognition and validation of more than one unique customer identifier.

83. An automated marketing system of claim 79, wherein the host controller is additionally capable of updating user and merchant databases with information obtained from each transaction.

84. An automated marketing system of claim 79, wherein the host controller is additionally capable of storing data relating to users, merchants and user behaviors.

85. An automated marketing system of claim 79, wherein the host controller is additionally capable of receiving a redemption inquiry, accessing an award balance associated with the user identifier and determining whether an award balance associated with the user identifier satisfies inquiry.

**9. Evidence Appendix**

**(NONE)**

**10. Related Proceedings Appendix**

**(NONE)**

## CONCLUSION

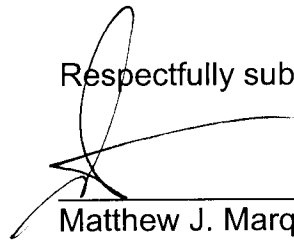
In view of the foregoing, it is respectfully requested that the Board of Patent Appeals and Interferences reverse these Rejections and that the subject application be allowed forthwith.

Applicant believes that no further fees are due in connection with this appeal. In the event that any such fee is determined by the Office to be due, or any overpayment has been made, Applicant requests that such deficiency or overpayment, including any fee for any Petition connected herewith, be charged to or credited to Deposit Account No. 50-2651.

Applicant respectfully requests that any questions concerning this matter be directed to the undersigned at (416) 865-8242.

Dated: February 19, 2008

Respectfully submitted,



Matthew J. Marquardt  
Reg. No. 40,997  
Attorney for the Applicant

**33721 - TORYS LLP**  
79 Wellington Street West  
Box 270, TD Centre  
Toronto, Ontario M5K 1N2  
CANADA  
Tel.: (416) 865-8242  
Fax: (416) 865-7380